

HOUSE BILL 1637

By Jones U

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7; Title 8 and Title 39, relative to
deeds on residential real property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-16-101(c), is amended by adding the following language as a new, appropriately designated subdivision:

() Has never been convicted of a felony;

SECTION 2. Tennessee Code Annotated, Section 8-16-104(a), is amended by deleting the language “ten thousand dollars (\$10,000)” and by substituting instead the language “one million dollars (\$1,000,000)”.

SECTION 3. Tennessee Code Annotated, Section 8-16-104, is further amended by adding the following language as a new, appropriately designated subsection:

() The true owner of the real property who is the victim of the fraudulent or negligent actions of a notary in accordance with Section 4 of this act, shall have a right of action to sue upon the bond and against the surety in any court of law or equity of this state having jurisdiction.

SECTION 4. Tennessee Code Annotated, Title 8, Chapter 16, Part 1, is amended by adding the following language as a new, appropriately designated section:

8-16-1__.

(a) It is an offense for a notary public to notarize the signature of any person on a quit claim deed or warranty deed on residential real property knowing the person signing the deed is not the actual owner of the real property.

(b) A violation of subsection (a) is a Class C felony.

(c) It is an offense for a notary public to notarize the signature of any person on a quit claim deed or warranty deed on residential real property and fails to use due care to determine whether the person signing the deed is the actual owner of the real property.

(d) A violation of subsection (c) is a Class E felony.

(e) A violation of subsection (a) or (c) is also an unfair and deceptive act in violation of the Tennessee Consumer Protection act of 1977, compiled in title 47, chapter 18, part 1.

SECTION 5. Tennessee Code Annotated, Title 8, Chapter 13, Part 1, is amended by adding the following language as a new, appropriately designated section:

8-13-1____. Upon the filing of a statement with the register of deed signed under penalty of perjury by a person as being the true owner of residential real property that a deed had been recorded by the register which was signed by a person who is not the true owner of the property, the register shall note such fact on the deed in question. The notation shall not be released until an order for such release is received by the register from a court of competent jurisdiction.

SECTION 6. If a complaint is made to a law enforcement officer, either verbally or in writing, concerning the true ownership of residential real property, then the law enforcement officer shall deny access to the residence to any person until the issue is resolved in a court of law.

SECTION 7. Sections 3, 5 and 6 shall take effect upon becoming a law, the public welfare requiring it. Sections 1, 2, and 4 shall take effect July 1, 2009, the public welfare requiring it.